



# **Child and Adult Care Food Program**

## **Adult Day Care Handbook**



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## **Introduction**

The mission of the U.S. Department of Agriculture's Food and Nutrition Service (FNS) is to alleviate hunger and to safeguard the health and nutritional well being of the Nation through the administration of nutrition education and domestic food assistance programs. In communities all across the Nation, adult day care centers and facilities offer a variety of services to individuals who need special attention that might otherwise be available only in an institutional setting. Providing meals is one of these services and the Child and Adult Care Food Program (CACFP), administered by FNS through regional and state agencies, is available to help provide these services. The meal reimbursement received under the CACFP can finance a significant portion of an adult meal service operation.

The purpose of this handbook is to help adult day care centers and sponsoring organizations of facilities meet Federal requirements for meal reimbursement under the CACFP. The handbook contains a wide range of information about the adult day care component of the CACFP, including explanations of key aspects of the Program and definitions of Program-related terminology.

The FNS and Bright from the Start: Georgia Department of Early Care and Learning (DECAL) recognize that maintaining a high-quality, nutritious meal service requires a commitment to excellence on the part of the caregivers, and applauds the many dedicated persons who see to it that adult day care clients are served wholesome and nutritious meals in a sociable environment.

## **Chapter 1**

### **Background**

#### **Legislative History**

The adult component of the Child and Adult Care Food Program (CACFP) was authorized on November 10, 1987, when Congress amended the National School Lunch Act with Public Law 100-175 to allow certain adult day care centers to participate in the Child Care Program as eligible Program institutions.

In developing the adult day care component of the Program, the United States Department of Agriculture (USDA) was influenced by the philosophy and policies of the National Council on Aging. It is clear from the legislative conference report, as well as from other statements of support offered by members of Congress which accompanied Public Law 100-175, that Congress envisioned Program benefits to be available to those served by the National Council on Aging. Those institutions and programs that are eligible are covered in Chapter 2.

#### **Who Administers the Program?**

The Food and Nutrition Service (FNS) administers the CACFP at the national level through seven regional offices. The national office develops regulations and establishes policies, and each regional office takes a written agreement with a State agency to administer the CACFP. In Georgia the Child and Adult Care Food Program is administered by Bright from the Start: Georgia Department of Early Care and Learning (DECAL), which is responsible for the following:

- Approval of applications
- Annual training of current and new sponsors
- Reviews and audits
- Payment of claims
- Program outreach
- Federal reporting of information related to the CACFP

## **Chapter 2**

### **Eligibility Requirements**

Organizations are eligible to participate in the adult component of the Child and Adult Care Food Program as independent adult day care centers or as sponsors of adult day care facilities. This Chapter provides information on the eligibility requirements for these centers and sponsoring organizations as well as on the facilities they sponsor. Also included are the eligibility requirements of individuals enrolled in both independent centers and sponsored facilities.

#### **Centers Which are Eligible**

Three types of independent adult day care centers and sponsoring organizations can participate in the Program:

- public agencies, or
- private non-profit organizations, or
- for-profit organizations that receive compensation under Title XIX and/or Title XX of the Social Security Act for 25 percent or more of the enrolled adults.

Centers must provide a community-based group program that is designed to meet the needs of functionally impaired adults through an individual plan of care. In



addition, the program offered by each center and facility must be a structured, comprehensive program that provides a variety of health, social and related support services to enrolled participants. Simply providing services to frail and/or elderly adults (i.e. sheltered workshops, vocational or substance abuse rehabilitation centers, or social centers) apart from a comprehensive care plan does not meet Program eligibility requirements. The following is a list of eligible or ineligible programs:

**Eligible Services:**

- Nonresidential day care centers that provide day care to frail and elderly adults, allowing families a respite from care giving
- Supervised day care environments offering group involvement and coordinated services that focus on self-care improvement
- Day care programs which provide recipients with socialization and basic self-help therapy

**Ineligible Services:**

- Sheltered workshops
- Vocational centers
- Substance abuse rehabilitation centers
- Personal care homes
- Social centers or other types of centers whose primary purpose is other than to provide day care to frail and elderly adults

**Adults who are Eligible**

Adult day care centers and facilities may participate in the Program if they serve “persons 60 years of age or older, or chronically impaired disabled persons, including victims of Alzheimer’s disease and related disorders with neurological and organic brain dysfunction.” For Program purposes, a “chronically impaired disabled person” is a functionally impaired adult, 18 years of age or older, who is physically or mentally impaired to the extent that capacity for independence and ability to carry out activities of daily living is markedly limited. The determining official may accept the center or facility’s determination of the status of the client when determining the functional impairment of an applicant.

Program benefits are to be available to those individuals who:

- remain in the community, and
- reside with family members or other caregivers who would benefit from the respite which adult day care services provide.

Every individual attending an adult day care center or facility participating in the Program may not necessarily be eligible for Program benefits. Individuals who reside in institutions are not eligible to receive benefits under the adult day care component of the CACFP. The legislative intent of this component is to assist centers and facilities to provide respite to family and friends – the few hours of respite needed to make the difference between keeping impaired individuals at home or sending them away to an institution. Individuals for whom the adult day care component is targeted are those who, in general, are the responsibility of family or friends. In some cases, impaired individuals have no caretakers and are responsible for themselves. They, too, may participate in the CACFP. However,

individuals who are living in residences in which they receive 24-hour care by staff hired to provide that care are “institutionalized” and, therefore, not eligible to receive CACFP benefits.

The temporary or permanent status of the individual’s institutionalization, and/or any affiliation between the institution and the adult day care center or facility, is irrelevant. Therefore, individuals who are residing in any institution on a temporary basis for “respite care” or “crisis intervention” are not eligible to receive Program benefits, although the participant may continue to attend adult day care while in residence in the institution.

See Chapter 4 for information on an individual participant’s eligibility for free and reduced price meals.

## **Institution Type**

To participate on the CACFP, an organization must sign an agreement with Bright from the Start. The organization that signs an agreement with Bright from the Start is called an **institution**. Depending on the type of institution, it may participate as an Independent Center, a Center Sponsor, or an Administrative Sponsor.

- **Independent Center** – an institution that owns and operates one adult care center.
- **Center Sponsor** – an institution that legally owns and operates at least two or more centers.
- **Administrative Sponsor** – an institution that sponsors at least one or more centers that are **not** legally owned or operated by the institution.

Center sponsors and Administrative Sponsors are called sponsoring organizations and must accept final administrative and financial responsibility for CACFP operations in all of their sponsored facilities. Independent Centers are responsible for their individual site. Bright from the Start policy 22 provides more information on responsibilities that must be fulfilled by the institution and those that may be contracted out.

This book will focus on Independent Centers and Center Sponsors. Administrative sponsors have different requirements and application procedures than Independent Centers and Center Sponsors and their own specific handbook should be consulted.

The Independent Center or Center Sponsor that provides adult care services must be the organization that submits the application for the CACFP. Organizations that only provide meals to the centers would not be eligible to make an application for the CACFP. These organizations would be considered food vendors and should have an agreement or contract with the organization making the application (See the information listed under Meal Preparation Systems later in this book).

*Center sponsors* must legally own or operate all the facilities underneath their sponsorship. A center sponsor may be a public agency, private nonprofit organization, or a private for-profit organization. The legal entity and the Federal Employer Identification number must be the same for all centers under a center sponsor. Organizations that have a separate legal corporation and FEI number,

regardless if the principal persons involved in the organizations are the same, will be assigned different agreement numbers for each center.

### **Tax-Exempt Status**

Public centers or public sponsoring organizations, such as county or city government agencies, and private nonprofit organizations are eligible to participate in the CACFP without having to show the participants served meet a certain income level. However, private nonprofit organizations must have tax-exempt status under the Internal Revenue Code of 1986. These organizations must provide documentation of this status to Bright from the Start in order for the application for participation to be approved. Public entities such as governments do not have to provide verification of tax-exempt status since they are automatically tax-exempt. Please see Bright from the Start CACFP policy #1 for more information.

### **For-Profit Center Eligibility**

For-profit Independent Centers and Sponsors of for-profit centers must qualify for the program by having at least 25% of the enrolled participants at each center receive Title XIX/Title XX benefits. In the State of Georgia, these benefits are provided through the Department of Medical Assistance.

### **For-Profit Sponsors of Centers**

A for-profit organization is eligible to serve as a sponsoring organization only for proprietary (for-profit) Title XIX and Title XX centers that are part of the same legal entity as the sponsoring organization. A sponsoring organization of proprietary Title XIX and Title XX centers is **not** eligible to sponsor proprietary Title XIX and Title XX centers that are legally distinct from the organization. In addition, for-profit organizations cannot sponsor public or private non-profit facilities.

### **Licensing/ Approval/ Program Provided**

Independent centers and sponsored facilities must be licensed or approved by Federal, State or local authorities to provide nonresidential services and must provide services that meet the eligibility criteria for adult centers. The eligibility determination for independent centers and sponsored adult day care facilities is a two-step process in which Bright from the Start makes separate judgments regarding:

- licensing or approval, and
- the program provided by the center or facility.

Since in the State of Georgia, adult day centers are not required to be licensed, centers must be approved by a Federal, State, or local authority. “Approval” is granted by a Federal, State or local authority when an adult day care center or facility meets written standards or criteria. These standards assure that a safe and healthful environment is provided for the individuals receiving care. Standards may include requirements for staffing and available services, as well as fire safety, building layout and maintenance requirements. Receipt of State or Federal funds may constitute “approval” only when standards are established to ensure a safe and healthful environment for center or facility enrollees and a duly constituted authority determines that, in order to receive the funds, these standards must be met. The simple presence of public funding, State or Federal, in an adult day care center or facility does not constitute “approval.”

### **Title XIX**

All facilities receiving funds under the Social Security Administration's Medicaid Program are required to meet standards developed by State agencies which ensure the health and well-being of the individuals enrolled in the facility. These standards are subject to review and approval by the Social Security Administration. Written standards for approval for receipt of benefits are developed by the State and the State is required to review each center or facility for compliance with these standards. Therefore, receipt of Title XIX benefits by a center or facility indicates State approval for purposes of participation in CACFP.

The Social Security Act, as amended, allows States to request a waiver from the requirement that Medicaid payments only be used for medical services provided in medical facilities. This waiver provides Medicaid payments for allowable parts of the cost of home or community-based services, such as adult day care services. These services must be provided to individuals who otherwise would require Medicaid supported institutionalized care. The waiver cannot be granted unless the State assures the Secretary of Health and Human Services that necessary safeguards, including the development and application of standards for provider participation, have been taken to protect the health and welfare of the individuals served under the waiver.

All centers or facilities receiving Medicaid funds (whether "regular" or "waiver") are required to meet standards developed by State agencies which ensure the health and well-being of the enrolled individuals. The Social Security Act requires each State to develop a State plan for receipt of Medicaid assistance. A Medicaid State plan must provide "that the State health agency, or other appropriate State medical agency . . . shall be responsible for establishing and maintaining health standards for private or public institutions in which recipients of medical assistance under the plan may receive care or services." State plans, including the standards, are reviewed and approved by the Social Security Administration of the Department of Health and Human Services.

#### **Title XX**

Receipt of funds under Title XX (Block Grants for States for Social Services) of the Social Security Act by an adult day care center or facility may be considered "approval" only if the State has developed standards which assure that the center or facility provides a safe and healthful environment for those in care. Receipt of Title XX funds in that State must be contingent on the facility's compliance with those standards. Unlike Title XIX, Title XX does not provide a Federal level statutory requirement that States develop and monitor standards for centers and facilities receiving funds. Therefore, the simple presence of Title XX funding in an adult day care center or facility does not constitute "approval."

#### **State Facility**

**Operation of a center by the State is the same as State "approval."** However, the center must clearly be a State facility, funded by the State and operated by State employees. This may be confirmed by a written assurance from a State official that the center is a State facility.

#### **Center/Facility Program**

The licensing/approval provision is only the first step toward Program approval. Once that determination has been made, each center or facility is required to follow standards required by law and regulations to:

- serve functionally impaired or elderly adults;
- provide a structured, comprehensive program of health, social and related support services; and
- develop and maintain an individual plan of care for every functionally impaired participant.

### **Criteria for Participation**

Independent centers and sponsoring organizations must agree to:

- accept final administrative and financial responsibility for operating the food service in centers and in any sponsored facilities;
- assume such duties as submitting applications for participation for themselves and for facilities under their sponsorship;
- provide training and technical assistance to sponsored facilities;
- ensure that meals served meet the meal pattern requirements;
- comply with requirements related to the financial aspects of the Program;
- provide adequate supervisory and operational personnel for managing and monitoring the Program;
- establish procedures to collect and maintain all necessary Program records; and
- not claim reimbursement, if for-profit, for any month when less than 25 percent of the enrolled participants are Title XIX and/or Title XX beneficiaries.

## **Chapter 3 Applying for the Program**

### **Training Requirements for New Applicants**

Institutions that are applying to participate in the CACFP for the first time must attend a two-day Program training class. Applications for participation are received at program training. No applications are sent in the mail except in some change of ownership situations. After the initial application, participating institutions will reapply via the Nutrition Services Internet database, CNP 2000.

### **Application Requirements**

To participate in the Child and Adult Care Food Program, each organization must submit to Bright from the Start all required information that, at a minimum, includes:

- a completed application and necessary documentation including a management plan and budget;
- evidence of financial viability, administrative capability, and program accountability;
- documentation of the eligibility status of adult day care facilities (such as licensing or approval actions);
- documentation that proprietary Title XIX or Title XX centers provide nonresidential day care services and certification that not less than 25 percent of the participants enrolled during the most recent calendar month were Title XIX and/or XX beneficiaries,

- nondiscrimination and free and reduced price policy statements for pricing centers; and
- a media release to the local media announcing the availability of the Program.

## **Program Contact Designation**

Each institution must assign responsibility for administering the day-to-day operations of the CACFP at the organization. This person is considered the Program Contact and must attend all mandatory training. If the program contact changes within the center/organization, the new program contact must attend Program Training within 60 days of taking over the position. Refer to Bright from the Start policies 20 and 26 for more information

## **Application Forms**

The Program Contact is also responsible for coordinating completion of all the forms and submission of all documents necessary for approval to participate in the CACFP. For new applicants the Application Checklist must be used and provides a complete list of documents that must be submitted to Bright from the Start. When completing the application, the applicant should refer to the Application Instruction Booklet provided with the application.

- **Institution Application for Participation** - Requests information about public or nonprofit status, the proposed number of sponsored centers, and information on Board Members.
- **Site Application for Participation** – Requests information about program type, licensing, enrollment, and meal service.
- **Management Plan** - Requests information concerning staffing patterns and administrative accountability, financial viability and management, organizational procedures and capability. For sponsoring organizations it also must include information about training and monitoring the sponsored centers, and reimbursement payments.
- **Budget** – The budget requires the organization to demonstrate the costs that are incurred in the operation of the food service program and those costs that will be paid with CACFP reimbursement. Budgets must be submitted upon initial application in the program for all institutions. Thereafter, Independent Centers that are claiming administrative costs, prior approval, or specific prior written approval items as listed in FNS Instruction 796-2 must annually submit a budget. Sponsoring organizations must annually submit a budget regardless of whether these costs are claimed. After the budget is initially approved for the fiscal year, organizations are not required to submit a new budget unless any new prior or specific prior written approval items will be charged that were not in the initial budget. Additionally, if the organization makes changes that substantially alter the items that will be charged to the CACFP, or substantially alters the amount that is charged for previously approved cost items, a new budget must be submitted.
- **Agreement for Participation** – Sets forth the responsibilities of the independent center or sponsoring organization and of the administering agency. Effective FY 2006 Bright from the Start issued permanent agreements with institutions, which are valid until the organization voluntarily terminates or until Bright from the Start terminates the organization from participation.

**Nonprofit  
Organizations’  
Board Members**

Nonprofit organizations must meet the guidelines concerning their Board of Directors in order to participate on the program. Federal Tax exempt organizations must be composed primarily of members of the community it serves. Primarily means that the board consists of at least 50% of members of the community rather than of insiders or individuals who are related to one another. Refer to Bright from the Start policy #28 for additional information on Board Member Responsibility.

**Free and Reduced  
Price Policy  
Statement**

7 Code of Federal Regulations 226.23(a) requires that a written policy statement concerning free and reduced price meals to be used in all facilities under its jurisdiction be submitted by each independent center or sponsoring organization. A sponsoring organization must prepare the policy statement for use in all of the centers under its jurisdiction. The contents of the policy statement depend on the center or sponsor’s meal pricing system, and an assurance that no participant will be discriminated against during the course of the CACFP food service must be included. For nonpricing programs in Georgia, the written free and reduced policy statement is part of the Agreement for Participation and the organization certifies to this when the Agreement is signed. Pricing programs, however, must submit a written free and reduced policy statement that is separate from the Agreement for Participation.

The statement specifies the organization’s policy on separate meal charges and describes its procedure, using current income guidelines, for determining eligibility for free, reduced price, or paid rates of reimbursement. If the center charges enrollees separately for meals, this procedure also determines their eligibility to receive meals free or at a reduced price. For such centers the system for collecting meal payments from reduced price and paid meal recipients must be described in the policy statement. Application approval or renewal cannot be granted unless this policy statement is approved by Bright from the Start.

**Nonpricing and  
Pricing  
Programs**

There are two optional systems for charging for CACFP meals, both of which are tied to the Program’s free and reduced price meal policy. They are “nonpricing” and “pricing” programs.

**Nonpricing programs** are those in which the center makes no separate charges for meals served to enrolled participants. Since most centers charge fees or tuition covering all areas of their day care services, the majority of centers participating in the CACFP are nonpricing programs. The participant’s meals are covered by the tuition payments, and no money is exchanged at mealtime. If all enrollees pay the same tuition, no portion of which is specifically earmarked for food service, it is a nonpricing program. Likewise, if all enrollees do not pay the same tuition for reasons other than meal service fees, it is a nonpricing program. The policy statement for nonpricing centers is included in the Agreement for Participation and consists of an assurance that all enrolled participants are served the same meals at no separate charge, regardless of race, color, national origin, sex, age, or disability, and that there is no discrimination in the course of the center’s food service.

**Pricing programs** are those in which enrolled participants who do not qualify for free meals are charged separate fees for their meals. This may be direct payment from the participant at the time each meal is served; a separate daily, weekly, or monthly food charge or meal ticket payment; a specifically earmarked portion of

the tuition payment for food service; or an identifiable reduction from the standard tuition rate for meals provided by families. Organizations, which charge separately for meals, must develop and submit a policy statement that includes the specific criteria found at 7 CFR 226.23(c). This information can also be found in the application instruction booklet.

When an organization has a pricing program, households can only be charged for the number of meals that are actually served to the enrolled participant. This means that the organization must not charge a household for any meals that the participant was not available to receive. Therefore, the pricing organization must have a system in place to count, record, and charge the household for only those meals that are actually served to the enrolled participant.

Additionally, programs may not charge some participants a separate fee but not others in the center. The organization must choose to be either a pricing or non-pricing program and apply this system across the entire organization.

## **Media Release**

Each independent center and sponsoring organization of centers must prepare and issue a public release to the local media announcing their intention to operate the federally funded CACFP upon initial application to the Program. This release must include:

- the current USDA income eligibility guidelines for free and reduced price meals; and
- a statement that the center does not discriminate against any participant because of race, color, national origin, sex, age, or disability.

A copy of this release, including any additional information the center or sponsor wishes to announce, must be provided to one or more newspapers, magazines, radio, or television stations that serve the area of each center. A copy of the release should be kept on file and one copy sent to Bright from the Start. Whether or not the media uses the public release, the responsibility has been fulfilled when the release is sent to the media source. This means that organizations are not required to pay for or actually have the release published. The organization must however, submit the release to the media source and have verification of the submission.

Annually thereafter, Bright from the Start will issue the media release for all centers participating as of October of each year. Participating organizations will only be responsible for issuance of a media release when new facilities are added under a sponsoring organization throughout the year.

## **Application Approval**

An organization must have a completed application within six months of attendance at program training. If the application is not completed (not merely submitted) within the six-month timeframe, the organization will be required to return to training in order to reinitiate the application process. Refer to Bright from the Start CACFP Policy 10 as the authority for this procedure.

Once an organization's application is complete, a Nutrition Consultant will schedule a pre-operational visit. The Nutrition Consultant will also review the management plan submitted and determine if the organization is in compliance with USDA and Bright from the Start regulations and policies.



After attendance at program training, organizations must begin to keep all records required by Bright from the Start in the operation of the CACFP. The Nutrition Consultant will review the records and the documentation of daily meals served. Organizations, which do not have documentation of daily meals served, but otherwise have a satisfactory pre-operational visit, will not be approved to participate until the following month.

An organization will receive a decision from Bright from the Start within 30 calendar days after a complete and correct application resides with the Department. If the application is initially incomplete, the center or sponsor will be advised as to what items are missing in a timely fashion. Bright from the Start may provide technical assistance for the purpose of completing the application. Organizations that indicate a lack of ability to complete the application process and demonstrate its capability to operate the program may be denied or required to participate under an Administrative Sponsor.

Refer to Bright from the Start CACFP policy 8 for effective dates of claiming reimbursement and to review the procedures and policy the Department uses for application approval.



### **Authorized Signature**

All forms described in this chapter that require a signature must be signed either by the organization's chief officer (i.e., the individual elected or appointed to assume legal responsibility for the organization). The chief officer must submit a letter or a "certificate of authority" with the form to verify any delegation of signature authority to another individual. The legal representative's title may vary. It may be chairman of the board of directors, president of the organization, a public official like the mayor (if a public institution or agency), or the superintendent of education. The pastor of a church may be able to sign for church-sponsored centers if the governing body of the church has authorized the pastor to assume such responsibility.

### **Application Renewal**

Effective Fiscal Year 2006, Bright from the Start instituted a procedure where organizations only need to submit a renewal application for CACFP participation every 3 years. However, even though an organization may not be required to submit a complete application to renew, some documents must be submitted on an annual basis, and the organization will not be able to continue participation if these documents are not received. Organizations are informed each year if they are required to reapply or simply submit certain documents. Centers and sponsors must comply with Bright from the Start's guidance on application renewals, and the submission dates for specific information or documentation that is required annually.

## **Adding Sites to the CACFP**

Independent Centers, which purchase another center under the same Legal Corporation and Federal Employer Identification number as the current center, may add the site on under their current Program Agreement and will become Center Sponsors and must meet all the requirements of a Center Sponsor. Refer to Chapter 9 of this handbook for specific Center Sponsor requirements. Independent Centers should contact the Application Specialist and obtain an Add-a-Site Package for Independent Centers. At that time the Application Specialist will mail the Independent Center a training video on Center Sponsor responsibilities. The organization must review the training video and complete the Add-a-Site package. If the organization is approved as a center sponsor, the organization will be placed on a new review cycle, which will include a 90-day review and all subsequent reviews.

Current Center Sponsors which add sites may download the Add-a-Site Checklist or Add-a-Site Package from the Bright from the Start website. The entire package should be completed and submitted to the Application Specialist. When adding a site, the site must be owned by the same legal entity and have the same Federal Employer Identification # as the parent organization. If this is not the case, the new site will be added under a separate Program Agreement.

## **Change of Ownership**

The Agreement to Participate in the CACFP is not transferable to a new owner. When an organization buys a center that is currently participating on the CACFP, the new owner must apply to participate on the program and meet all the requirements of participation including attendance at Program Training by the individual that will be the Program Contact within the new organization. Therefore, when a change of ownership will take place, the current participant should inform the potential buyer to contact Bright from the Start so that the new organization can be informed of the process and incur as little delay in approval as possible.

Organizations that are changing ownership must complete the Voluntary Closure Form and indicate the date of sell of the center. Organizations may not claim reimbursement after the date of sell. New organizations may not claim reimbursement under the previous owner's Agreement. Doing so may result in a designation of serious deficiency and termination of current or future participation. Refer to Bright from the Start CACFP Policy 19 for more information.

## **Chapter 4 Free and Reduced Price Meal Determinations**

To operate the CACFP, independent centers and sponsoring organizations agree to determine each enrolled participant's eligibility for free, reduced price, or paid meals, unless they choose to claim all meals at the paid reimbursement rate. Reimbursements for the meals served to enrolled participants are based on the types of meals served and the number of participants eligible for free, reduced price, or paid meals. For this reason, each participant's eligibility information must be maintained.

## **Income Eligibility Statement**

Each year, independent centers and sponsored facilities must obtain and keep on file, eligibility information on each enrolled participant. This information must be obtained on an Income Eligibility Statement that is completed and signed by the participant or guardian. Other sources of income information on file at the center are not acceptable in place of a statement.

A participant who is a member of a food stamp household, or who receives assistance under Supplemental Security Income (SSI) or Medicaid or participates in the Food Distribution Program on Indian Reservations (FDPIR), is considered categorically eligible and may receive free meal Program benefits without providing household size and income information. An identification number is required on the statement confirming that the participant is a member of a currently certified food stamp or FDPIR household or is a current SSI or Medicaid recipient.

“Income” for the purpose of determining free or reduced price meal eligibility includes gross earnings, wages, welfare, pensions, support payments, unemployment compensation, social security and other cash income received or withdrawn from any other source, including savings, investments, trust accounts and other resources. Individual retirement accounts and Keogh withdrawals are considered income. Only the income of the participant, the spouse, and dependent children who reside with the participant, must be reported on the statement. If a participant is not categorically eligible s/he must provide income information.

Finally, the statement must be signed by an adult household member and the social security number of that adult must be provided (or an indication that the adult does not have a social security number).

Given the population served by the adult day care provisions of the Program it is unlikely that it would be necessary for an official of an adult day care center or facility to complete a free or reduced price meal application for a Program participant. In most cases, a functionally impaired or elderly adult who is not able to complete the statement personally would have a family member or guardian complete the statement. However, should an enrollee be unable to complete the statement and no family member or guardian is available to complete it, the center or facility may, with the concurrence of Bright from the Start, complete a statement on the enrollee’s behalf if the enrollee is categorically eligible for free meals. The participant’s file must contain documentation of the categorical eligibility.

The information collected from the participants must be compared to USDA’s income eligibility guidelines in order to determine the participant’s eligibility category. The income/household size standards for determining eligibility for free or reduced price meals are the same as those used for determining eligibility for free or reduced price meals under the National School Lunch and School Breakfast Programs. The income guidelines are updated each year effective July 1st. Bright from the Start will make these income standards available to all organizations either currently participating or wishing to participate in the Program.

## **Income Eligibility Determinations**

A **free meal** is a meal served to a participant whose household income eligibility level based on household size and gross income is at or below the eligibility

standards for free meals according to USDA's income eligibility guidelines, or to a participant who is categorically eligible.

A **reduced price meal** is a meal served to a participant whose household income eligibility level based on household size and gross income does not meet the requirements for free meals, but is at or below the eligibility standards for reduced price meals according to the USDA's income eligibility guidelines.

A **paid meal** is a meal served to a participant whose household income eligibility level based on household size and gross income does not meet the eligibility standards for free or reduced price meals according to the USDA's income eligibility guidelines, or for whom no complete Income Eligibility Application has been filed.

### **Income Eligibility Expiration**

Income Eligibility Statements are only valid for one year from the date that the statement is signed by the household member. The organization must develop a system to obtain statements either before each individual statement expires, or for all participants at least once a year prior to any of them expiring. All statements that are not current must be placed in the paid category until a new and current statement is received.

Additionally, if a household claims zero income on the statement, the participant is approved in the free eligibility category for only 45 days. In this case, the household must be contacted every 45 days to determine if there has been a change in income or not. It is not necessary to complete a new statement if nothing has changed. If the household income is still zero, the responsible official at the institution can update the statement by documenting the contact with the household indicating the person contacted, the date, and the representative making the contact. The institution would then contact the household again within another 45 days. However, if there is ever a change, the household should complete a new statement, which would be valid for one year.

### **Overt Identification Prohibition**

CACFP rules require that there be no obvious identification of free and reduced meal participants so as not to cause any embarrassment to a participant. Therefore, the information on file on the free and reduced price statements and the eligibility status of each participant is **confidential**. Again, programs that have a separate charge to the participant for meals must be careful not to identify the needy participants at the time of collection or anytime during the actual meal service.

## **Chapter 5**

### **Meal Pattern**

The meal patterns required by Program regulations were developed based on the nutritional needs of all participants. It has been demonstrated that over a period of time these general meal patterns supply participants with the necessary nutrients needed for good health.

#### **Approved Meal Types**

Only the meal types specified in the organization's site application that are served in compliance with the meal pattern requirements may be claimed for reimbursement. Under the Program, independent and sponsored centers providing regular day care services can be approved to serve, and claim for reimbursement, a daily maximum of two meals (breakfast and/or lunch and/or supper) and one supplement (snack), or two snacks and one meal, to each enrolled and eligible participant in attendance.

#### **Offer Versus Serve**

All of the required food items must be offered with each meal. However, at the discretion of the adult day care center/facility, participants may be permitted to decline a certain number of the items without the price or reimbursement for the meal being affected except for snacks. This provision is called "offer versus serve." All meal items must be offered, but a certain number of items may be declined.

- Breakfast: Participants may decline one serving of the four food items (one serving of milk, one serving of vegetable and/or fruit and two servings of bread or bread alternate).
- Lunch: Participants may decline two servings of the six food items (one serving of milk, two servings of vegetables and/or fruit, two servings of bread or bread alternate, and one serving of meat or meat alternate).
- Supper: Participants may decline two servings of the five food items (two servings of vegetables and/or fruit, two servings of bread or bread alternate, and one serving of meat or meat alternate).
- Supplement (snack): Offer versus serve is not available for snacks, since the snack meal pattern contains only two food items.

#### **Variations/ Substitutions**

In certain instances the FNS national office may grant approval to Bright from the Start for variations in the food components. Approval may be requested when evidence is provided that shows that the variations are nutritionally sound and are necessary to meet ethnic, religious, economic, or physical needs. In addition, substitutions may be made in the meal patterns for individual participants with special medical or dietary needs if a statement from a recognized medical authority that specifies recommended alternate foods is on file.

#### **Meal Service Times**

Centers should serve meals at times considered appropriate for the type of meal being served. There are no restrictions on time of service except for the service of the supper. Suppers may not be served prior to 5 PM.

The following chart shows the required food components for each meal type with the minimum required serving sizes.

### Meal Pattern for Adults

FOOD COMPONENTS	BREAKFAST	LUNCH	SUPPER	SUPPLEMENT *
<b>Milk</b>				
Milk, Fluid	1 cup	1 cup	None	1 cup
<b>Vegetables and/or Fruits</b>				
Vegetable(s) and/or Fruit(s)	½ cup	1 cup total (two or more servings)	1 cup total (two or more servings)	½ cup
Full-strength vegetable or fruit juice or an equivalent combination of vegetable(s), fruit(s), and juice	½ cup			½ cup
<b>Bread and Bread Alternates</b>				
Bread	2 slices	2 slices	2 slices	1 slice
or Cornbread, biscuits, rolls, muffins, etc.	2 servings	2 servings	2 servings	1 serving
or Cold dry cereal	1 ½ cups or 2 oz.			¾ cup or 1 oz.
or Cooked cereal	1 cup	1 cup	1 cup	½ cup
or Cooked pasta or noodle product	1 cup	1 cup	1 cup	½ cup
or Cooked cereal grains or an equivalent quantity of any combination of bread/bread alternate	1 cup	1 cup	1 cup	½ cup
<b>Meat and Meat Alternates</b>	None			
Lean meat or poultry or fish		2 oz.	2 oz.	1 oz.
or Cheese		2 oz.	2 oz.	1 oz.
or Eggs		1 egg	1 egg	1 egg
or Cooked dry beans or peas		½ cup	½ cup	¼ cup
or Peanut butter or soynut butter or other nut or seed butters		4 tbsp.	4 tbsp.	2 tbsp.
or Peanuts or soynuts or tree nuts or seeds		1 oz. = 50%	1 oz. = 50%	1 oz.
or Yogurt, plain or sweetened and flavored				4 oz. or ½ cup
or An equivalent quantity of any combination of the above meat/meat alternates				

\*For a Supplement (snack) choose only two of the four food components.

### Family Style Meal Service

Meals may be served in a family style setting. Unlike cafeteria lines, unitized meals and preset service methods, family style meal service can enhance adult participants' acceptability of offered foods and affords them latitude in the size of initial servings because replenishment is immediately available at each table. Since

adults generally are used to “family style” eating, the day care enrollees may welcome this method and feel most comfortable when the center chooses to implement such service, which must be exercised in compliance with the following practices:

- sufficient prepared food must be placed on each table to provide the full required portions of each of the food components for all participants at the table, and to accommodate the supervising adult(s);
- the participants should initially be offered the full required portion of each meal component;
- during the course of the meal, the supervising adult(s) is responsible for actively encouraging each participant to accept service of the full required portion for each food component of the meal pattern. For example, if a participant initially refuses a food component or does not accept the full required portion, the supervising adult should offer the food component to the participant again; and
- “second” meals may not be claimed for reimbursement when family style meal service is used.

Bright from the Start Family Style Meal Service Policy Memo dated 3/6/02 provides additional guidance on this practice.

The best system of meal preparation in a given situation will depend upon such factors as the type of menu desired; the availability of food service equipment, space, and personnel; and the budget of the organization. Following are several types of food service systems.

## **Meal Preparation**

### **Onsite (Self-Prep)**

Onsite preparation is the most commonly used food service system. The meals are prepared at the same location where they are to be served. This is usually the most economical method when the facility has a kitchen, sufficient food preparation equipment, and available staff. All or part of the food may be prepared onsite and the remainder purchased from an outside source, such as a school, hospital, or commercial vendor.

### **Central Kitchen**

A sponsoring organization that only has one center with a kitchen may want to prepare all meals at that central kitchen. The sponsoring organization would arrange to transport meals from the central kitchen and deliver them to its other facilities. When transporting meals, equipment would be needed to keep both hot and cold foods at the temperature levels required under State or local health laws.

### **Purchasing from a School**

Meals may be purchased from a school either in bulk or as individual packaged units. An organization that receives meals from a school must enter into a written agreement with that school. This agreement must contain the basic provisions of the Program requirements. (Bright from the Start will furnish you with a sample agreement) Signing an agreement with a school to provide meals does not relieve the center or sponsor of its Program responsibilities for monitoring and recordkeeping.

## Procurement Guidance

### Purchasing from a Food Service Management Company (FSMC)

Food service management companies are organizations that prepare and deliver meals. An organization that purchases meals from a FSMC must enter into a written contract with the company. (Bright from the Start will furnish this contract) Signing a contract with a FSMC does not relieve the center or sponsor of its Program responsibilities for monitoring and recordkeeping. Regulations require that a copy of the contract be submitted to Bright from the Start before the beginning of Program operations under the contract. (See the Bright From The Start Procurement Manual for details about purchasing from a FSMC)

### Purchasing from a Commercial Vendor

Commercial vendors are public organizations, private commercial enterprises, or individuals that provide nonfood items or individual food items but not meals. An organization that purchases from a commercial vendor must enter into a written contract with the vendor. Bright from the Start will provide a copy of the standard contract, and guidance on meeting procurement standards can be found in the Bright from the Start Procurement Manual.

An organization that contracts with a FSMC or commercial vendor should be aware of and comply with applicable State or local laws and the Federal procurement standards.

See the chart below to determine which regulations, management, and cost rules apply to your institution.

### Federal Grants Management Rules

TYPE OF ORGANIZATION	PROGRAM REGULATIONS	GENERAL MANAGEMENT RULES	PROCUREMENT RULES	ALLOWABLE COST RULES
Public Institutions (Governments)	7 Code Part 226	Part 3016	Sections 3016.36(b) – (i), 3016.60 2/, 3/	OMB Circular A-87, FNS Inst. 796-2
Private Non-Profit Institutions	7 Code Part 226	Part 3019	Sections 3019.40 – 48	OMB Circular A-122, FNS Inst. 796-2
For-Profit Institutions	7 Code Part 226	Part 226	Section 226.22	Federal Acquisition Regulation (48 CFR Part 31), FNS Inst. 796-2

In many cases, only purchases over \$100,000 will need to be formally procured. However, institutions using their own, the local, or the state guidelines must follow their guidelines for small purchase thresholds. In addition, private for-profit institutions must follow the management rules under 7 CFR Part 226 which indicate a formal bid process for purchases over \$10,000.



The procurement standards apply to any contract whether it is for meals, food items, supplies, equipment, or other related services. When contracting for these items, the applicable management rules should be consulted and the Bright from the Start Procurement Manual should be thoroughly reviewed. It's recommended that organizations consult with Bright from the Start staff prior to conducting any formal procurement process.

## **Chapter 6**

### **Program Reimbursement**

Under CACFP legislation and regulations, the State-administering agency can choose between the following methods for reimbursing independent centers and sponsoring organizations of centers:

- computed reimbursement using applied rates; **or**
- the center's/sponsor's documented costs incurred for both administering and operating its meal service, (unless the computed reimbursement is less).

Bright from the Start uses computed reimbursement and this method applies to **all** participating centers and sponsors of centers in the State. Reimbursement is based on the number of meals served and the current reimbursement rates. Therefore, no "extra" money is given for organizations to pay for labor, equipment, or administrative costs. The reimbursement received must be used to pay for any costs incurred, although it's not likely to cover all the costs of the food service operation. The organization is expected to pay for additional costs from other funds.

### **Computing Reimbursement**

Regulations provide three methods for computing reimbursement:

- claiming percentages;
- blended per meal rate; or
- total monthly counts of the actual number of meals by type served each day to participants eligible for free, reduced price, and paid meals.

The claiming percentages and blended per meal rate methods for computing reimbursement are intended to simplify the task of developing and preparing the monthly claim for reimbursement. By using either of these methods, daily meal counts by type do not have to be maintained for each income category (free, reduced price, and paid). It is only necessary to keep count of total meals served by meal type (breakfast, lunch, supper, or snack). **Bright from the Start uses claiming percentages as the reimbursement method.**

Reimbursement rates for meals served in the CACFP are annually adjusted to reflect Consumer Price Index changes. The reimbursement rates are updated every July 1st. Bright from the Start will notify participating organizations of changes in the rate each year. The reimbursement rates will also be placed on the Bright from the Start website.

The following computation example shows how the claiming percentages formula is used to determine the reimbursement that would be received by an institution. The reimbursement rates listed should be viewed only as guides because as stated previously, the reimbursement rates are updated each year. The currently

applicable reimbursement rates should be substituted when computing a center's potential reimbursement.

### **Claiming Percentages**

When reimbursement is calculated on the basis of claiming percentages, the following general formula is used:

$$\frac{\text{Number of participants eligible for free OR reduced OR paid meals}}{\text{Total enrollment}} = \frac{\text{Claiming \% for that category}}{\text{Total number of lunches served during the month}} \times \text{Reimbursement rate}$$

Following is a step-by-step example of how to calculate a claim for reimbursement (lunches only) using the claiming percentage method of reimbursement.

### **Example:**

- 50 participants are enrolled in a center;
- 1000 lunches are served during the month;
- 15 participants are eligible for the paid rate of reimbursement;
- 30 participants are eligible for the free rate of reimbursement; and
- 5 participants are eligible for the reduced price rate of reimbursement.

### **Step #1**

Compute claiming percentage for each eligible category.

- 15 paid ÷ 50 enrollment = 30% of total enrollment**
- 30 free ÷ 50 enrollment = 60% of total enrollment**
- 5 reduced price ÷ 50 enrollment = 10% of total enrollment**

### **Step #2**

Percentages (30% for paid, 60% for free, 10% for reduced price) are converted to decimals (.30, .60, .10), then multiplied by the total number of lunches served during the claim month (1000).

- 1000 × .30 = 300 (paid meals)**
- 1000 × .60 = 600 (free meals)**
- 1000 × .10 = 100 (reduced price meals)**

### **Step #3**

Meals are multiplied by the appropriate rate (paid rate = \$.3525, free rate = \$2.2925, reduced price rate = \$1.8925).

- 300 paid meals × \$.3525 = \$105.75**
- 600 free meals × \$2.2925 = \$1375.50**
- 100 reduced price meals × \$1.8925 = \$189.25**

### **Step #4**

The totals are added together to obtain the center's total claim for reimbursement for lunches served during that month.

**\$ 105.75 for paid lunches served**

**1375.50 for free lunches served**  
**+ 189.25 for reduced price lunches served**  
**\$ 1670.50 maximum potential reimbursement for lunches**

**Commodities or  
Cash-in-Lieu of  
Commodities**

In addition to cash reimbursement for meals, USDA offers participating centers entitlement commodities, or cash-in-lieu of commodities at an annually adjusted per meal rate for each lunch and supper served, in states where commodities are not offered.

Commodities are foods that USDA acquires through subsidy programs or purchases in large quantities. In the State of Georgia, commodities are not available, therefore, a payment at the current year's commodity entitlement rate for each lunch and supper served will be made in addition to per meal cash reimbursements. The cash-in-lieu value is reflected in the reimbursement rates distributed by Bright from the Start but will be noted separately on the claim reimbursement statement and recap screen on CNP 2000.

**Claims for  
Reimbursement**

All organizations must submit to Bright from the Start accurate monthly reports on the total number of meals served. These monthly reports are called Claims for Reimbursement and a separate claim must be submitted for each claim month. Claims for reimbursement should be submitted to Bright from the Start as early as possible following the last day of the month covered by the claim.

**Claim Deadlines**

Bright from the Start CACFP Policy 15 requires that an original claim be received at Bright from the Start no later than 30 days after the end of the month being claimed. USDA regulations allow a claim submission up to 60 days after the end of a claim month. Bright from the Start cannot pay claims submitted beyond 60 days after the claim month, except if a one-time exemption is requested by the organization and granted by Bright from the Start. A one-time exception may be granted once every 36 months. Refer to CACFP Policy 2 for information on submitting a one-time exception.

**Proprietary Title  
XIX and Title XX  
Centers**

Independent proprietary Title XIX or Title XX centers and sponsoring organizations of these centers are eligible to receive reimbursement only for meals served in those months in which 25 percent of the enrolled participants were Title XIX and/or Title XX beneficiaries. The 25 percent may include the sum of both Title XIX and Title XX beneficiaries.

**Meals that cannot be claimed for reimbursement are:**

- meals that do not meet the meal pattern requirements;
- meals served to participants who are not enrolled;
- meals served to adults residing in residential care institutions;
- more than three meals (one or two of which must be a snack) served daily to each participant;
- meals supported by funds from both this Program and Title III of the Older Americans Act of 1965;
- meals served to enrolled participants who are under 60 years of age and not considered to be functionally impaired;
- meals served to enrollees under 18 years of age;

- meals served to participants in excess of the authorized license capacity at any one time;
- meals served at a proprietary Title XIX or Title XX center during any calendar month when less than 25 percent of the enrolled participants are either Title XIX and/or Title XX beneficiaries.

### **Claim Submission the via Internet**

Bright from the Start requires that all organizations submit their claim for reimbursement via CNP 2000, the database used by the Nutrition Division within Bright from the Start. In order to access the claim form on CNP 2000, the organization is issued user names and passwords for the database after application approval. Please see Bright from the Start CACFP policy #14 for more information about submitting a claim via CNP 2000. In addition, a user manual on the use of CNP 2000 is given to each organization and is also available on the Bright from the Start website.

The CNP system has edit checks that require certain information to be submitted in order to file the claim. If the organization encounters problems with the claim submission, or is not able to determine how to clear up errors, the claim department within Bright from the Start should be contacted.

All records to support the claim for reimbursement must be maintained for the Federal record retention period, of 3 years plus the current year. Chapter 8, Recordkeeping, includes information on the records needed to support the claim for reimbursement.

### **Claim Processing and Distribution**

Bright from the Start is allowed by regulations to take up to 45 days to pay all valid reimbursement claims. However, Bright from the Start's pays claims once a week. If a claim is submitted via CNP 2000 after the claims have been processed for the week, the claim will be processed the following week. All claims are paid through electronic funds transfer. It may take up to 10 days for the reimbursement to be available at the center's financial institution from the date the claim is processed by Bright from the Start.

Because CNP 2000 will not allow submission of an incomplete claim, all claim errors must be cleared before the claim can be submitted. If any errors are found after Bright from the Start receives the claim, the organization will be notified within 15 days on how the claim can be corrected. If all or part of the claim is disallowed, Bright from the Start will advise the center or sponsor of the reason and provide an opportunity to appeal the decision under the fair hearing procedure.

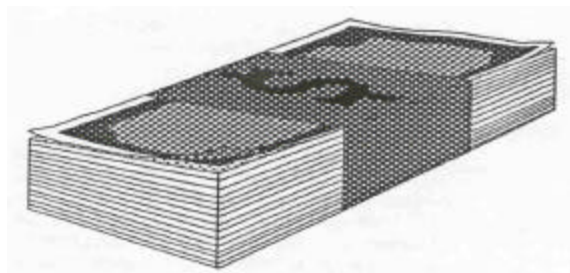
A sponsoring organization is required to distribute reimbursement to each facility under its sponsorship within 5 working days after receiving the funds from Bright from the Start.

### **Meals in Excess of Licensed Capacity**

Bright from the Start cannot reimburse for meals served to participants in excess of the authorized capacity of each center or facility. However, if the center or facility serves participants in shifts (for example, if a meal type is served at two different times to two different groups of participants), and does not violate the authorized capacity, reimbursement for the meals is allowed.

## **Other Federal Funding**

Meal service funds are also available from other Federal and State sources. The Administration on Aging of the U.S. Department of Health and Human Services provides meal service funds to some adult day care centers under Title III of the Older Americans Act of 1965. However, a single meal may not be supported by funds from both the CACFP and Title III. If a center claims reimbursement for a meal under the CACFP, Title III funds cannot pay for any costs associated with that meal. Title III benefits include all assistance provided under Part C of Title III of the Older Americans Act, including donated commodities (or cash-in-lieu of commodities) authorized by the Act and provided by the U.S. Department of Agriculture and nutrition grants authorized by the Act and provided by the U.S. Department of Health and Human Services. An adult day care center may use CACFP and Title III funds for different meals within the same meal service, or for different meal services (breakfast, lunch, dinner, or snacks).



## **Chapter 7 Administrative Requirements**

### **Training**

Bright from the Start provides a monthly program training class for new staff of organizations and those organizations wishing to apply for the program. The training covers CACFP rules and regulations, nutrition education and dietary guidelines, meal pattern requirements, menu planning, recordkeeping, application and claims procedures, food service operations, and financial management. While the training is two days in length, it's not possible to review all the program regulations, policies, and guidance available. At the training the new organization will be provided with a CD, which will contain the Program regulations, Bright from the Start policies, manuals, handbooks, and applicable guidance material. It is the organization's responsibility to review the material provided to ensure compliance with Program requirements. If technical assistance is needed, the organization should contact their Nutrition Consultant or staff at the Nutrition Division.

All organizations participating on the CACFP are required to participate in annual training provided by Bright from the Start. Unless training is completed, organizations will not be able to continue participation. The Program Contact for the organization is always required to participate in the mandatory annual training, but when space is available, other staff may attend as well.

Quarterly training is also conducted by Bright from the Start. This training is typically not mandatory, but provided to assist organizations in their operation of

the Program. If training is mandatory, organizations will be notified that attendance is required. Refer to Bright from the Start CACFP policy 20 for more information on training requirements.

Currently participating organizations register for any type of CACFP training via CNP 2000. Organizations not currently participating on CACFP can contact the Bright from the Start office in order to register for program training.

## **Review of Institutions**

Bright from the Start staff can conduct a review of an organization at any time, but will always review CACFP operations in participating independent centers and sponsoring organizations according to the following schedule:

- A review will be conducted on all new institutions within 90 days of operation of the CACFP;
- A one-year review will be conducted within one year of operation of the CACFP;
- A three-year review\* is conducted within three years of the completion of the one year review, and every three years thereafter;
- Reviews will be conducted as a result of a complaint received;
- Follow-up reviews are conducted, based on the seriousness and frequency of the finding, anytime program irregularities are found during a previous review.

\*Sponsoring organizations with more than 100 centers will be reviewed every two years, rather than three.

All records relating to operations of the Program will be reviewed to ensure that reimbursements received were proper and reflect benefits provided to all participating adults, program reimbursement is properly accounted for and spent only on allowable costs as indicated in FNS Instruction 796-2, and to ensure all other Program requirements are met. The review of a sponsoring organization's program includes, at a minimum, an on-site review of CACFP operations in typically 5 to 10 percent of sponsored centers, depending on the number sponsored.

## **Agreed Upon Procedure Reviews**

In addition to reviews, organizations are subject to Agreed Upon Procedure reviews. Bright from the Start contracts with an outside accounting firm to conduct these.



## **Appeals and Fair Hearings**

A fair hearing system established by Bright from the Start following State and Federal guidelines is provided for independent centers and sponsoring organization officials to appeal adverse administrative actions and/or decisions by Bright from the Start.

Adverse actions and decisions that may be appealed may include, but are not limited to:

- denial of the application for participation;
- denial of an application submitted by a sponsoring organization on behalf of one or more centers;
- termination or suspension from the Program;
- denial of all or part of a claim for reimbursement (except for late submission);
- refusal by Bright from the Start to forward for FNS's approval, an exception request for payment of a late claim or for an upward adjustment to a claim; and
- demand to repay any overpayment or reclaim of reimbursement.

In the event of a program denial or other adverse action, the center or sponsor must file a written appeal within 15 calendar days of receiving notification of the action. The organization should become familiar with Bright from the Start's Appeal Procedures, which can be found on the Bright from the Start web page under the Nutrition Services section. A written copy of the appeals procedure will also be given when any adverse action is made against the organization.

## **Serious Deficiencies**

Based on the Federal regulations and State policies, Bright from the Start might not approve an organization's application, or may discontinue its Program participation based on serious deficiencies found in the application submission, during reviews by Nutrition Consultants or agreed upon procedures reviews conducted. Serious deficiencies, which are grounds for denial of applications for new institutions, grounds for termination of Program participation for renewing or participating institutions vary based on each type and can be found in the regulations under 7 CFR 226.6(c). When an organization is found to be seriously deficient in its operation of the Program, the organization will be given the opportunity to correct the deficiencies.

Unless Bright from the Start and USDA determine and agree that necessary action has been taken to correct such deficiencies and prevent recurrence, organizations may not participate on the CACFP. If the organization does make permanent corrections, the organization may continue to participate in the Program. If the organization does not make permanent corrections, it will be terminated from participation in the CACFP. Organizations should thoroughly review Bright from the Start CACFP Policy 9 concerning the Serious Deficiency process.

## **National Disqualified List**

When an organization is terminated from participation in the Program, the organization and the principals that contributed to the deficiencies are placed on the National Disqualified List and are not eligible to participate on the Program for seven years. If the organization or principal owes money, neither may participate until the debt is paid in full.



## **Household Notifications**

Independent Centers and Sponsors must provide households with information concerning the Child and Adult Care Food Program. Sponsors may distribute this information directly from the administrative office or delegate the responsibility of distributing the information to the center. If the responsibility is delegated to the center, the sponsor must ensure the center is distributing the information.

### **Letter with Income Eligibility Statement**

A letter must be distributed along with the Income Eligibility Statement to inform households of the procedures regarding eligibility for free and reduced meals and must contain certain information based on the type of program. Bright from the Start has developed sample letters that may be used by centers based on the different criteria. These sample letters can be found on the CD provided to organizations at training and on the Bright from the Start website.

The Reduced Price Meal Income Guidelines must also be attached to the household letter according to Federal Regulations. Only the reduced meal income guidelines can be attached; therefore, these guidelines have been placed on a separate document to be attached to the household letter. The Reduced Price Meal Income Guidelines can also be found on the CD provided to organizations at training on the Bright from the Start website.

Pricing programs must attach their Appeal procedures to the letter as well so that households will know the procedures for appealing a determination they believe not to be correct.

## **Institution Training**

All institutions should train staff that are employed by the organization to perform CACFP duties within the organization. While independent centers are not required to document any training, staff which perform recordkeeping duties, prepare meals, or perform meal counts must be trained on the proper procedures and meal pattern compliance. Bright from the Start offers program training for the program contact within the organization, but expects the program contact to then train staff within their organization on all aspects of the Program.

Organizations should develop a training agenda for any staff that performs CACFP duties. Training on CACFP duties should take place prior to start of the staff person's duties. Sponsoring organizations must meet more stringent requirements for training staff and sponsored centers. These requirements will be discussed in Chapter 9.

## **Program Contact Training**

Bright from the Start Policy 26 requires that persons who take over as Program Contact for the CACFP attend Program Training within 90 days of taking over the position. However, Bright from the Start recommends completing training as soon as possible after taking over the position. Training is required so that the organization can ensure compliance with Program regulations and policies.



## Use of CNP 2000 Database

Bright from the Start policy 14 requires that all organizations, after the initial application approval, use CNP 2000 to submit claims for reimbursement and renew or update information in the application. New organizations that are applying for participation in the CACFP will complete the Financial and Electronic Enrollment/Change Form with their application in order to receive a username and password for the system. The usernames and passwords initially assigned will be mailed to the person within the organization who has legal authority to sign the Agreement for Participation. **The password can and should be changed by this person prior to assigning the username and password to the authorized CNP 2000 user within the organization.** Identify specific individuals to pass this information to and emphasize the need for these usernames and passwords to be kept private. Passwords should be changed immediately if staff that have access leave the organization. Typically organizations assigned under this system should not need to send in information to update the user names and passwords. However, if the organization does, then the person with legal authority to sign the Agreement for Participation should submit a written request to the office.

When Bright from the Start first began using CNP 2000, usernames were assigned to individuals by their name. When organizations are assigned under this system, it is necessary for the organization to delete a user's access when the staff person leaves the organization. To delete a user's access under this user name assignment, the organization should submit the Financial and Electronic Enrollment/Change Form, completing section II and signing. This form is also used to add the new user(s). Because only two user names will be assigned, the organization must delete any users who the organization no longer wishes to have access.

## Updating the Application

### Institution Changes

The application is broken into an Institution Application and a Site Application. The institution application asks questions about the legal organization whereas the site application requests information concerning the actual location of the center where meals are served. For an Independent Center, this information is generally the same, although both applications must be completed.

When certain changes are made within the organization, it is necessary to update the application with the current information. Some information can be updated by logging into CNP 2000 and making the corrections in the application. Other information must be updated by completing and submitting specific forms to the Application Specialist.

### **INFORMATION THAT CAN BE CHANGED VIA CNP 2000**

The organization can change the following information concerning the Institution Status by logging into CNP 2000 and changing the information in the system:

- Street \* or Mailing Address
- Program Contact Change\*\*
- Claim Contact Name
- Phone or Fax Numbers
- E-mail Address

\*In the case of an independent center, if changing locations, a new license must be submitted.

**\*\*If training needs to be completed, you can contact Bright from the Start to register.**

When either the FEI # or legal entity changes, a new agreement # will be assigned to the organization. Contact the Application Specialist for more details.

### **Institution Name Changes**

Name changes cannot be updated on CNP 2000 and must be accomplished by completing and submitting the Institution Change Notification Form. Name changes that occur due to a change of ownership do not fall under an organizational name change. The process for change of ownerships would need to be followed. See this section in Chapter 3.

### **Federal Employer Identification Numbers (FEI #)**

FEI #'s cannot be updated on CNP 2000 and must be accomplished by completing and submitting the Institution Change Notification Form. When the organization changes FEI #'s, the organization must submit documentation from the IRS (Form SS-4).

### **Legal Organization Ownership Codes**

When an organization changes the ownership code such as the changing from a sole-owner to a corporation or partnership, this information cannot be updated on CNP 2000 and must be accomplished by completing and submitting the Institution Change Notification Form. The organization must submit the Certification of Incorporation/Organization and the Articles of Incorporation/Organization with the change form.

### **Bank Account Changes**

When an organization changes the bank information, such as changing institutions or using a different account, the organization must submit the Financial and Electronic Enrollment/Change form. The organization should complete section I and III, attach a voided check, or if no check is available, documentation from the bank that indicates the bank account and routing number and submit the form to the Application Specialist.

### **Site Changes**

Some changes that occur at the site are not necessary to update on the application until the renewal period. The following items **do not** require updates to the application because this information is entered on the claim for reimbursement each month:

- Enrollment Number
- Number of Title XIX / XX recipients
- Number of Participants in the Free/Reduced/Paid income categories

Other changes to site applications should be made using the Site Change Notification Form. Some changes such as a change of location of the site will require updated licensing information, if the site is licensed.

### **Voluntary Termination of CACFP**

Organizations must make Bright from the Start aware when the organization or a sponsored center will not longer participate on the CACFP. Independents and sponsoring organizations that are closing all centers must complete the Voluntary Closure Form. Sponsoring Organizations, which are simply terminating a particular sponsored center, will complete the Sponsor Update Form.

### **Civil Rights Compliance**

Organizations that participate in the CACFP are required to be in compliance with Title VI of the Civil Rights Act of 1964. Organizations may not discriminate based on race, color, national origin, sex, age, or disability. Additionally organizations

must provide information to households in a language that is understandable by the household.

### **“And Justice For All” Poster**

Centers and sponsoring organizations must display the official USDA non-discrimination poster “And Justice For All” in a prominent location.

### **Racial/Ethnic Data**

The center is required to collect and maintain the racial/ethnic data on all enrolled participants. This information is collected at initial application and in the renewal application every three years. For those organizations that are not required to submit a renewal application, racial/ethnic data must be collected using the CACFP Racial/Ethnic Data Collection Form. The data should be gathered separately for each center in or around October of each year and filed with the new fiscal year information. Program officials must use safeguards to prevent the data from being used for discriminatory purposes. Such safeguards include allowing access to this data only to authorized personnel.

### **Nondiscrimination Statement on Publications**

All leaflets, brochures, news articles, or bulletins that are made available to the public by the center or sponsor must contain a statement that the CACFP is available to all participants without regard to race, color, national origin, sex, age, or disability and include the procedure for filing a discrimination complaint. This statement, which appears on the inside front cover of this handbook, must be included in a prominent place in each publication. If the publication does not allow space for the full statement, the following statement may be used “USDA is an equal opportunity organization.”

## **Audits for Nonprofit Organizations**

*Nonprofit* organizations which expend \$500,000 or more in Federal funds in their fiscal year are required to have and submit an audit report to the Federal Audit Clearinghouse in Compliance with OMB Circular 133 and 7 Code of Federal Regulations Part 3052. The share of an *organization-wide audit* cost based on the percentage of CACFP funds expended by the institution during the fiscal year being audited is allowable to be charged to the CACFP. The full cost of a *Program specific audit* conducted pursuant to 7 CFR Part 3052.235 is allowable.

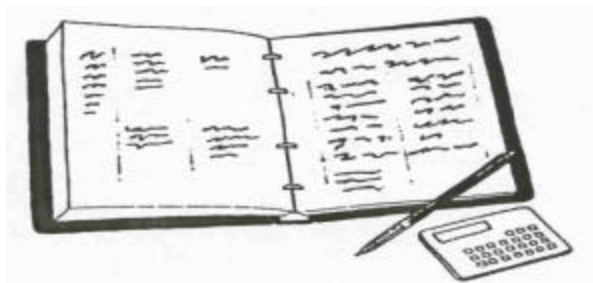
Additionally *nonprofit* organizations that expend \$100,000 or more in State funds during their fiscal year must submit an audit to the Georgia Department of Audits and Accounts. Nonprofit organizations, which expend between \$25,000 and \$100,000 in State funds in their fiscal year, are required to forward a copy of their financial statements to the Georgia Department of Audits and Accounts. Refer to Bright from the Start policy #27 for more information. Costs associated with meeting audit requirements issued by the State of Georgia are not allowable to be charged to the CACFP.

## **Policies and Policy Memos**

Bright from the Start will issue policies and policy memos concerning CACFP requirements that do not conflict with the Federal regulations, but which are more specific concerning the procedure Bright from the Start will use to meet the regulatory requirements. These policies and memos are distributed via email for

those participants which have an email listed in the application and via postal mail for those organizations which do not have an email address.

Organizations must ensure they are aware of and in compliance with all policy and policy memos. All policies and memos can be downloaded from the Bright from the Start website at the following address: <http://www.decal.state.ga.us>. Under the Nutrition section, go to the Child and Adult Food Program Section (CACFP) and look for CACFP Policies and/or CACFP Policy Memos.



## **Chapter 8 Recordkeeping**

Maintaining accurate records is vital to making sure CACFP reimbursement accurately reflects the center or sponsor's Program operations. This chapter provides information about the types of records that must be kept to justify the reimbursement claim and suggestions on managing this portion of the Program. Bright from the Start can provide help in answering any questions about the required records or about systems for collecting and maintaining these records. Bright from the Start Policy #8 concerning recordkeeping should also be reviewed.

## **Financial Management**

Institutions must account for all costs of operation through the use of generally accepted accounting principles (GAAP). An efficient recordkeeping system that supports all payments received under the Program must be maintained, and all allowable costs in support of the center or sponsor's nonprofit food service must be documented.

Organizations must demonstrate they are financially viable and capable of managing Program funds. Program regulations governing Federal grants require that organizations be able to separately identify CACFP income and expenses. The organization is required to describe their financial management system in the management plan. Accounting systems must be able to distinguish the funding sources (where the money came from) and application (how the money is used) of funds. The following options are available to meet the standards for accounting records:

- a) **Option 1** - Use a chart of accounts to identify income source names and expense source names.
- b) **Option 2** - Have a common chart of accounts with specific revenues and expenses separated by the individual programs.

- c) **Option 3** - Maintain a separate bank account and separate financial records solely for CACFP income and expenses. Minimum accounting records include:
- Check registry
  - All receipts and supporting documentation required by FNS Instruction 796-2 Rev. 3
  - Monthly Record of Operating Costs form
  - Monthly Record of Administrative Costs form
  - Proration methods on file for prorated costs

Organizations that cannot sufficiently describe how funds are separated cannot be approved for participation. The following circulars, regulations, and instructions should be consulted to ensure approval and compliance:

- 7 CFR Part 3016 – Uniform Administrative Requirements for Grants and Cooperative Agreements to States and Local Governments
- 7 CFR Part 3019 – Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit organizations
- OMB Circular A-122 - Cost Principles for Non-Profit Organizations
- OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments
- FNS Instruction 796-2 Rev. 3 – Financial Management – Child and Adult Care Food Program

The Federal regulations can be found at [www.gpoaccess.gov/nara/index.html](http://www.gpoaccess.gov/nara/index.html). OMB circulars can be found at [www.whitehouse.gov/omb/circulars](http://www.whitehouse.gov/omb/circulars). Copies of the FNS instruction and Bright from the Start policy can be found on the Bright from the Start web site.

## **Retention of Records**

All current years' records must be maintained. All other fiscal year records must be maintained for a minimum of 3 years after the end of the Federal fiscal year to which they pertain. For example, records related to reimbursement and costs during Fiscal Year 2004 (October 1, 2003 through September 30, 2004) must be kept until October 1, 2007. Fiscal Year 2003 records may be disposed of in October 2007 **only** if there are no unresolved audit findings or the center or sponsor's Program is not under investigation.

## **Meal Service Records**

Independent and sponsored centers must keep daily records of meal counts and menus and enrollee attendance to support their claims for reimbursement. A description of the records required is discussed below. The sponsoring organization must collect these daily records from each sponsored center at least once a month to complete its monthly-consolidated reimbursement claim. However, sponsoring organizations may want to collect records from the sponsored centers more frequently than monthly to verify that the records are current and correct, and to help the center personnel understand and correct any identified mistakes prior to completion and submission of the claim.

### **Daily Menu and Food Service Record**

Daily menus must be recorded on the Daily Menu and Food Service Record provided by Bright from the Start. Documentation of the Daily Menus must occur immediately before or after the service of the meal and must contain a listing of the food items served in each meal type to ensure that the requirements of the CACFP meal patterns were met.

Daily counts of the number of meals served to enrolled participants, taken at the **point of service**, which means counting the participant at the time a complete meal is served to him or her, must also be recorded on the Daily Menu and Food Service Record and be maintained by all participating centers. The total number of meals served by type – breakfast, lunch, supper or snack – must be recorded when meals are being served or immediately after the meal service.

Daily counts of meals served to “program adults” working in the center’s food service and to any other non-enrolled persons must also be recorded. Although not claimed for reimbursement, costs of these meals are part of food costs reported by the center or sponsor.

Prior to submission of the claim for reimbursement, the Daily Menu and Food Service record must be reviewed to ensure that only meals that meet the meal pattern are claimed for reimbursement. Additionally, sponsoring organizations are required by Federal regulations to ensure that each sponsored facility only claims meals for which they have been approved and to verify any appearances of block claiming. The definition of **block claim** is “a claim for reimbursement submitted by a facility on which the number of meals claimed for one or more meal type (breakfast, lunch, snack, or supper) is identical for **15** consecutive days within a claiming period.”

### **Enrollment/Attendance Records**

Records supporting the enrollment of all participants must be kept on file, as well as daily records of attendance for all participants in centers and sponsored facilities. Accurate daily attendance records of all enrollees must be maintained separate from the center’s meal count records, unless an alternate documentation system is approved by Bright from the Start. Bright from the Start does not have a standard attendance record that must be used. However, the center should ensure that staff are consistently completing the information as these records may be used to verify the meal counts taken by the center.

## **Rosters**

All participants enrolled for care at the center must be placed on the roster. The roster includes the name of each participant, the date of enrollment or departure at the center, and the income category that is determined through the income eligibility statement. Upon initial entry onto the program, the organization will put all participants on the roster in alphabetical order by last name. Then throughout the year, as individuals enroll for care, their names are placed at the bottom of the list. The roster should be kept current at all times, and while it’s recommended that the roster be updated daily, at a minimum it must be updated monthly. The same roster will be used till the end of the fiscal year (the Federal Fiscal year runs from October to September). At or around the beginning of the new fiscal year, a new roster must be developed. Since income eligibility statements are valid for one

year, it's recommended that the center obtain new income eligibility statements prior to the creation of the new roster.

The entry date on the roster can be either the date the individual first became enrolled for care or the beginning of the month in which the roster is being created. Individuals who disenroll from care should have an exit date entered in the appropriate column.

The roster is used to determine the number of participants in each income category, which is then transferred to the claim for reimbursement. It is also used to determine if the for-profit center has enough Title XX or Title XIX participants to qualify for the month in order to claim reimbursement.

Do not use correction fluid on rosters. If changes are needed in the income category, draw a line with red ink through the incorrect information, make the corrections, and initial and date the correction.

## **Eligibility Records**

Centers and sponsors claiming free and reduced price reimbursement must annually obtain and keep on file, approved income eligibility statements for participants determined to meet the free and reduced price eligibility guidelines.

On the claim for reimbursement each month the center or sponsor is required to report to Bright from the Start the number of enrolled participants whose meals are currently eligible for free, reduced price, and paid rates of reimbursement. (For additional information see Chapter 4, Free and Reduced Meal Determinations.)

In addition, all proprietary Title XX/XIX centers must keep records for each month Program reimbursement was claimed, documenting that at least 25 percent of the enrollees were Title XX/XIX recipients.

## **Records to Support Program Costs**

All independent centers and sponsors must keep accurate records of their operating and administrative costs to document the nonprofit status of their food service. In addition to specific forms required by Bright from the Start, the institution must maintain a financial management system as discussed earlier in this chapter. CACFP reimbursement may only be used to purchase items that are used in the operation of the food program. FNS Instruction 796-2 and/or staff at Bright from the Start should be consulted if there is doubt about whether a particular item can be paid for with CACFP reimbursement.

### **Title III Funds**

Centers receiving funds from Title III of the Older Americans Act must provide records that document that meals claimed under the Program are not supported by Title III funds. For more discussion of this topic see Chapter 6, Title III Funding.

## **Monthly Record of Operating Costs**

Operating costs are costs incurred by organizations for the preparation, serving and clean up of meals. Allowable operating costs include, but are not limited to:

- food costs,
- food service labor costs,
- costs for certain nonfood supplies, and



- costs for purchased services.

All operating costs must be documented on the “Monthly Record of Operating Costs” form as well as documented in your financial records. This form can always be found on the Bright from the Start website. Documentation needed to support the costs is listed in the following sections.

### **Food Costs**

Food costs are expenditures for the food used in all meals. The cost of the food may include the purchase price and charges for processing, transporting, storing, and handling purchased or donated food, including USDA commodities. These costs must be documented by items such as invoices, receipts, inventory records, and itemized bills.

If Program meals are purchased under a contract with a food service management company (FSMC) or commercial vendor, or under an agreement with a school food authority (SFA), the organization must maintain the vendor’s invoices for meals delivered to the organization.

### **Food Cost Reconciliation**

Because FNS Instruction 796-2 Revision 3 indicates that only those food items used, not purchased, for CACFP operations are allowable, reconciliation of food purchased to food used must be conducted at least annually. Bright from the Start does not require monthly food inventory, but recommends this practice in order to conduct the required yearly inventory. Refer to Exhibit B of the referenced FNS Instruction for more information on this procedure.

### **Records of Food Costs**

The following outline shows the types of records that must be maintained to support food costs:

<b>Method of Purchasing Food</b>	<b>Records to Keep</b>
A. Central purchasing by independent center or sponsoring organization (buys, stores and disburses food supplies directly to facilities)	<ol style="list-style-type: none"> <li>1. Itemized receipts and invoices for all food costs</li> <li>2. Purchase/Inventory records for use in reporting the value of food used</li> </ol>
B. Contract purchasing through a school (SFA) or food service management company (FSMC)	<ol style="list-style-type: none"> <li>1. Procurement Records (for FSMC)</li> <li>2. Copy of contract or school agreement</li> <li>3. Itemized billings from SFA or FSMC</li> <li>4. Daily count of number of meals served to participants</li> </ol>
C. Direct purchasing	<ol style="list-style-type: none"> <li>1. Itemized receipts and invoices for all food purchased</li> <li>2. Inventory records as required by Bright from the Start</li> </ol>

### **Food Service Labor Costs**

Independent centers and sponsoring organizations must document the cost of food service labor needed for the operation of the CACFP. This may include wages, salaries, employee benefits, and the share of taxes paid by the independent center or sponsoring organization necessary to perform the following tasks:

- menu planning and purchasing;
- meal preparation, serving, and clean-up of Program meals;
- supervision of day-to-day food service operations; and
- on-site preparation of daily Program meal service records.

FNS Instruction 796-2 Rev. 3 requires that records to support labor costs include a compensation plan, payroll records, time and attendance reports, and time distribution reports. Refer to Bright from the Start Policy Memo dated May 23, 2005 for more information on documentation that must be on file to support any labor costs charged to the Program. The value of volunteer labor may not be used to support Program costs under this or any other cost category.

For part-time food service staff, the cost of labor must be prorated so that CACFP costs are supported by work performed only in the center's food service. In addition, if a portion of a food service employee's salary is paid with funds from another government or private source, accurate records must be maintained to ensure that the same costs are not charged to both sources.

### **Costs of Nonfood Supplies**

Nonfood supplies include small kitchen equipment, paper goods (such as napkins and plates), and cleaning supplies used directly for the food service operation. Itemized receipts or invoices must be kept on file as documentation.

### **Costs of Purchased Services**

Purchased services are items such as utilities, equipment rental, rental of facilities, and minor repairs. The costs for **all** food service related rental and repair expenses must be documented. Costs for shared purchased services such as utilities, water, and gas must be prorated and documented. Bills along with any proration methods for costs not used exclusively by the food program must be maintained along with proof of payment.

### **Monthly Record of Administrative Costs**

Administrative costs are costs incurred in planning, organizing, and managing the food service operation under the CACFP. Administrative cost categories include the cost of clerical and office labor, office supplies, monitoring labor, training costs and mileage.

Bright from the Start requires the use of the "Monthly Record of Administrative Costs" form to document all administrative costs charged to the Program along with documentation in your financial records. This form can be found on the Department web site.

### **Administrative Labor Costs**

Labor costs include compensation paid for labor needed for:

- planning, organizing, and managing the food service operation;

- completing CACFP application materials;
- compiling daily records to complete the monthly consolidated reimbursement claim;
- training;
- preparing the monthly reimbursement claim; and
- monitoring Program operations.

The costs of administrative labor must be documented. Records that must be maintained include compensation plans, payroll records and employees' time and attendance reports, and time distribution reports. Refer to Bright from the Start Policy Memo dated May 23, 2005 for more information on documentation that must be on file to support any labor costs charged to the Program. The value of volunteer labor may not be claimed under this or any other category of total Program costs.

The labor costs of administrative staff that works part-time on Program administrative duties must be prorated so that only CACFP administrative labor is claimed for reimbursement. Accurate records must be maintained to ensure that payment is not duplicated through CACFP reimbursement, if a portion of an administrative staff member's salary is paid through another source of funding.

### **Administrative Supplies**

Costs incurred for supplies used to administer the CACFP may include:

- cost of printing or reproducing materials that are used for the food service and nutrition education materials;
- office supplies;
- telephone calls; and
- postage necessary for the center's food service operations.

Itemized receipts, invoices, and other records must be kept to document these costs.

### **Other Administrative Costs**

That portion of an organization's expenditures for rent, utilities, office supplies, professional activities, training, transportation, and other allowable costs, which is applicable to the CACFP, is reimbursable.

When vehicles owned by a sponsoring organization or by one of the organization's employees are used for CACFP administrative duties (such as visits to centers for monitoring or training), the transportation cost – approved mileage rate times total miles plus parking and toll fees – are allowable costs. Records must be kept to document the mileage claimed. Refer to FNS Instruction 796-2 Rev. 3 for specific documentation for mileage costs. Organizations should follow the guidelines in the FNS Instruction 796-2 Rev. 3 concerning allowable rates when applying mileage, lodging, or meals related to overnight travel.

### **Contractor/Consultant Costs**

When an organization finds it necessary to contract to obtain legal or professional services from individuals that are not employees or officers of the organization, organizations must first request and obtain specific approval to pay this cost with

CACFP reimbursement. In FNS Instruction 796-2 Rev. 3 contractor/consultants is listed under the cost name of “Legal Expenses and Other Professional Services.” Once specific approval has been obtained, the organization must receive a bill/invoice and timesheet if the service performed is based on an hourly rate to support the costs paid to this individual. A timesheet must show the total amount of time the individual performed program duties for the time period in which payment will be made. A sample timesheet can be provided to you from Bright from the Start. If the payment is not based on an hourly rate, submission of work completed must be documented.

### **Itemized Receipts/Invoices**

Receipts and invoices used to support the costs charged to the CACFP must contain the name of the items that were purchased and the cost of each item. The total cost of the transaction should also be listed as well as the date of the transaction and the contact information (i.e. name of person or store, address, phone#). It’s recommended that copies of carbon receipts be copied, as they tend to fade over time.

### **Reimbursement Records**

Independent centers and sponsoring organizations must document income to the Program from all sources and maintain copies of all submitted claims for reimbursement, as well as receipts for all Program payments received from Bright from the Start. In addition, sponsoring organizations must keep records of the amount and date of all fund disbursements to each sponsored center.

### **Required Prototype Forms**

Certain forms have been created as standard forms that must be used by each organization. If the organization would like to use a form in lieu of the standard Bright from the Start form, the institution must request approval of the alternate form. The following forms are required forms that must be used and approval received prior to use of an alternate form:

- All application forms including the budget and management plan provided by Bright from the Start;
- Roster;
- Income Eligibility Statement (unless participating in another Federal Food Program where the use of an income application is already used);
- Daily Menu and Food Service Record;
- Monthly Record of Meals and Snacks Served;
- Monthly Record of Operating Costs;
- Monthly Records of Administrative Costs.

### **Alternate Form Approval**

When an organization wishes to use an alternate form to collect information that is required for recordkeeping purposes, the organization should make a written request to Bright from the Start. The alternate form that will be used must be submitted with the written request. The request must note which Bright from the Start form will be replaced by the alternate form and contain an explanation concerning how the form will be used.

The following guidance should be used when developing alternate forms:

- Revised forms used in the operation of the CACFP must capture all documentation required by USDA regulations, policies, instructions and Bright

from the Start policies for the specific type of organization for which the form is being used.

- Revised forms used in the operation of the CACFP in the State of Georgia must not contain the Bright from the Start: Georgia Department of Early Care and Learning name, nor any other State Agency name. All forms altered by the organization may reflect the name of the organization and the Child and Adult Care Food Program name.
- Instructions that were previously indicated on the Bright from the Start prototype form must be revised, or completely removed, to reflect correct completion of the altered form.

Approval will be granted if these guidelines are followed and the revised form allows for documentation of all information required by CACFP regulations and Bright from the Start policies, which apply to the specific organization making the request. For example, an adult care program may request approval of a revised Daily Menu and Food Service Record where the organization has removed all references to child participants. In this case, since the adult care program enrolls no children, and the form allows for collection of information concerning adult program participants, the form would be approved.

## **Records Availability**

All Program records must be readily available for review by the Bright from the Start, USDA and any of their agents and audit by State and Federal auditors. If when visiting the organization, records are not available for review, the organization will be required to provide the records, at the organization's burden and expense, to the Bright from the Start staff person within five business days of the visit at the location specified. Refer to Bright from the Start Policy 18 for more information on records that must be maintained.

## **Chapter 9 Center Sponsor Requirements**

This chapter discusses requirements as they pertain to sponsoring organizations of affiliated centers, or center sponsors. Administrative sponsors should refer to the Administrative Sponsor handbook for requirements for sponsors of unaffiliated centers. All sponsoring organizations should carefully review Section 226.16 of the CACFP regulations to ensure it meets all the regulatory requirements. Many requirements have already been discussed in previous chapters. However this chapter pertains to those responsibilities that are only required by sponsoring organizations.

## **Training Requirements for Sponsors**

Sponsoring organizations are required to train all monitors that will review the sponsored centers. In addition center sponsors must train "key" staff of their sponsored centers in Program responsibilities and duties prior to the beginning of their food service operations. Sponsoring organizations are also required to provide annual training to participating centers.

Training for new centers, participating centers, and monitors should include the following items:

- meal patterns

- meal counts
- claims submission and review procedures
- recordkeeping requirements
- the reimbursement system

All training should be conducted in manner and level that is appropriate to the group being trained. Annual training should vary based on the needs of the centers or staff being trained.

## **Training Records**

Records of sponsoring organizations' required annual or more frequent training sessions for their centers' "key" personnel and any others must be maintained. These records must include dates, locations, CACFP topics discussed, and names of center personnel in attendance.

## **Monitoring Requirements for Sponsors**

Each sponsoring organization must provide adequate supervisory and operational personnel for the effective management and monitoring of the food service operations at all centers under its sponsorship. Some of the sponsor's monitoring requirements include:

- Pre-operational visits to each new or potential center that wishes to participate in the CACFP to discuss Program benefits and requirements, and to ensure that the staff is capable of providing the proposed food service. A new center is considered one that has never participated or one that has had a lapse in participation of six months or more;
- At least one review visit to each **new** center during its first 4 weeks of Program operations;
- Reviews of food service operations at least three times a year at each sponsored center to assess compliance with meal patterns, recordkeeping, and other Program requirements;
- At least two reviews must be unannounced;
- At least one of the two unannounced reviews must include the observation of a meal service;
- Not more than 6 months can elapse between each review.

Bright from the Start's Monitoring Memo dated March 18, 2005 should be thoroughly reviewed to ensure compliance with all requirements.

Sponsors must be able to keep track of and ensure that all review requirements are met. In order to track reviews, it's recommended that the sponsor use the sample form provided by Bright from the Start titled "Review Scheduling Log."

## **Monitoring Staffing**

Sponsoring organizations that sponsor 25 or more centers must employ enough monitors to ensure that there is one full time monitor for each 25 to 150 centers sponsored. Sponsoring organizations which sponsor less than 25 centers are not required to meet this provision.

## **Review Elements**

Sponsoring organizations must review certain items of each sponsored center in order for the review to count as a full review. Bright from the Start has a required Center Review Form that must be used by sponsoring organizations when reviews

are conducted. The review form contains instructions for the completion of the review as well.

If the organization would like to use a different review form, the organization must submit approval to the Department for an alternate form use. However, the review form must cover all the elements of the review found at 7 CFR 226.16(d)(4). Until approval is granted by the Department, the organization should continue to use the Bright from the Start required form.

It's recommended that the sponsor alternate the meal service observed at the reviews conducted. For example, if the sponsor observed lunch on the first review, breakfast may be observed on the second visit, and snack on the third.

At the conclusion of the review, the monitor should conduct an exit conference with the center director or other applicable person, and explain any findings. The center should describe a corrective action and a timeframe to complete the corrective action.

## **Review Follow-up**

Based on the center sponsor's policy for conducting follow-ups, the sponsor may need to make another visit to ensure that corrective action has been achieved. If technical assistance or training is needed, the sponsor should provide the appropriate assistance.

Follow-up reviews must also be conducted when block claiming is detected on a center's Daily Menu and Food Service Records or Monthly Record of Meals and Snacks served per 7 CFR 226.10(c)(3). The follow-up review must be conducted within 60 days of the discovery of the block claim and must be unannounced.

During a follow-up to investigate block claiming, the sponsor should review the attendance and enrollment records to determine if the number of participants that are being claimed are actually enrolled and coming to the center. The sponsor should also compare the meal count on the day of the visit to the meal counts for that same meal service that was "blocked claimed" to determine if the numbers appear comparable. If there is a reasonable explanation for the block claim, the sponsor should document this explanation in their review records. If based on the investigation it appears that the center is claiming meals that were not actually served, the sponsor may need to take action to terminate the center's participation.

## **Review Records For Sponsors**

A sponsoring organization of centers must keep documentation on file of the location and date of each sponsored center reviewed, any problems cited, and the corrective action required and completed. The sponsoring organization should also maintain records documenting assistance and guidance it has provided to center personnel to complete a corrective action(s).

## **Review Averaging**

A sponsoring organization is allowed to average reviews per 7 CFR 226.16(d)(4)(iv). Center sponsors who wish to average reviews should refer to Bright from the Start's Review Averaging policy memo dated March 18, 2005.

## **Claim for Reimbursement Edits**

Sponsoring organizations are responsible for collecting all supporting records for each sponsored facility in order to submit the claim for reimbursement. Prior to submission of the claim for reimbursement, the sponsor must review the supporting

documents to ensure that a valid claim is submitted. The following are edits checks that must be performed for each sponsored center:

- Review of all meals served to ensure compliance with the meal pattern. Since meals that do not meet the meal requirements cannot be claimed, the sponsor must “disallow” the meals and not include these meals on the claim.
- Review eligibility documentation for proprietary centers (for-profit) and ensure that all for-profit centers qualify to claim reimbursement for the month.
- Verify that the meals being claimed by each center were approved by Bright from the Start in the application per (7 CFR 226.10(c)(1).
- Review the Daily Menu and Food Service Records to ensure that meals are only claimed for days that the center was open for care including a review to ensure that holidays were not claimed.

## **Household Notifications**

Center Sponsors are required to provide households with a notice to inform them of the centers’ participation in the CACFP per 7 CFR 226.16(b)(5). Additionally sponsors must provide the notification in a language that is understandable by the participant’s parents or guardians. Bright from the Start provides the Building for the Future Flyer to organizations as a means to meet this requirement. If the sponsor chooses to use some other form of notification, such as integrating this information on the household letter that is sent with the income eligibility statement, the sponsor must ensure the notification includes the following:

- Notification of the center’s participation in the CACFP
- Benefits the CACFP provides
- Name and telephone number of the sponsoring organization
- Name and telephone number of Bright from the Start



## **Appendix A - List of CACFP Requirements**

The following list is meant to provide organizations with the primary responsibilities that must be conducted to participate in the CACFP. It does not cover every responsibility and organizations must review the handbook, policies and regulations to ensure compliance. More detail can be found regarding the responsibilities in the applicable section in this handbook.

### **DAILY**

- Record the number of meals served to each enrolled participant at the “point of meal service” on the Daily Menu and Food Service Record.
- Maintain daily attendance records.
- Provide the Building for the Future Flyer to all newly enrolled participants. This flyer only has to be given out once to each newly enrolled participant. The Building for the Future Flyer can be found at <http://www.dec.state.ga.us> under the Nutrition Services - CACFP Participant Information section.

### **WEEKLY**

- Complete documentation to support labor costs. Refer to Bright from the Start policy memo entitled “Labor Cost Documentation” dated May 23, 2005 and FNS Instruction 796-2 Rev. 3 to determine the specific requirements and frequency of documentation required. Specific forms can be found at <http://www.dec.state.ga.us> under the Nutrition Services - CACFP Forms section.

### **MONTHLY**

- Review all records for accuracy and eligibility in order to file the claim for reimbursement.
  - Update the Roster of Food Program Participants exiting participants who are no longer in attendance and adding newly enrolled participants.
  - Ensure that the for profit center qualifies to file a claim by taking the total number of participants enrolled for that month (Enrolled is defined as being registered for care and having attended the center at least one day in that month), Title XIX documents (Dept of Medical Assistance documentation) to determine the number of participants receiving Title XX/XIX. The number of Title XX/XIX is divided by the lesser of the total enrollment or licensed capacity to determine if the center has 25% of participants which receive Title XX/XIX in order for the For profit center to qualify to file a claim for that month.
- Review all Daily Menu and Food Service Records to determine that each documented meal was creditable. If documented meals are not creditable, the meal should not be claimed. Document this fact on the Daily Menu and Food Service Record and put zeros for that meal service on the Monthly Record of Meals and Snacks Served.

- Review all Daily Menu and Food Service Records to determine that meal counts are accurate and documented. If meal counts were not documented, meals cannot be claimed. (These counts cannot be recreated.)
  - Review meal counts to ensure no meals are claimed for days when the center was closed.
  - Review meal counts to ensure mathematical accuracy.
- Consolidate all creditable meal counts and document total number of eligible meals to be claimed for each day in the month meals were served on the Monthly Record of Meals and Snacks Served.
- File the claim for reimbursement on CNP 2000 using the meals counts listed on the Monthly Record of Meals and Snacks Served (one form per facility).
- Complete documentation to support labor costs charged to CACFP. Refer to Bright from the Start policy memo entitled “Labor Cost Documentation” dated May 23, 2005 and FNS Instruction 796-2 Rev. 3 to determine the specific requirements and frequency of documentation required. Specific forms can be found at <http://www.decal.state.ga.us> under the Nutrition Services - CACFP Forms section.
- Document costs on the Monthly Record of Operating Costs form.
- Document costs on the Monthly Record of Administrative Costs form.
- Update financial records with all costs paid with CACFP monies.
- Consolidate all receipts and invoices to support the costs paid with CACFP reimbursement and maintain with monthly records.
- File all records for the current month neatly together.

### **YEARLY**

- Participate in annual training.
- Collect and maintain the racial/ethnic data on all enrolled participants.
- For organizations that update all Income Eligibility Statements once a year, distribute statements and letters to households.
- Submit documentation if requested by Bright from the Start to continue participation.

### **EVERY THREE YEARS**

- Renew the CACFP application.

### **AS NEEDED**

- Update the application on CNP 2000 if the program contact changes or other changes occur that are listed in the Updating the Application section of the handbook.
- Register new program contacts for CACFP Program Training.
- Notify Bright from the Start of change of ownerships or closure of center.
- For organizations that update all Income Eligibility Statements as they expire, distribute statements and letters to households a month prior to the expiration date.
- Train new staff on CACFP requirements.
- Update the CNP 2000 authorized users when staff leave the organization if user names are assigned according to individual names. Use the Financial and Electronic Enrollment/Change Form to make this change.



## Appendix B - How to Calculate Average Daily Attendance

In order to calculate the average daily attendance, you should follow these three steps.

- Step 1. At the end of each day, determine the number of different children who attended that day.
- Step 2. At the end of the reporting month, add the daily attendance totals. This figure is your total monthly attendance.
- Step 3. To determine the average daily attendance (ADA), divide the total monthly attendance by the number of days served.

The following is an example of a sample worksheet for calculating ADA.

<u>Date</u>	<u>Total # of Participants that Attended Each Day</u>
Jan. 3.....	25
Jan. 4.....	30
Jan. 5.....	35
Jan. 6.....	28
Jan. 9.....	27
Jan. 10.....	36
Jan. 11.....	42
Jan. 12.....	23
Jan. 13.....	21
Jan. 16.....	38
Jan. 17.....	36
Jan. 18.....	45
Jan. 19.....	29
Jan. 20.....	33
Jan. 23.....	41
Jan. 24.....	38
Jan. 25.....	40
Jan. 26.....	31
Jan. 27.....	22
Jan. 30.....	35
Jan. 31.....	25

Total Monthly Attendance = 680

Divide 680 by the total number of days meals were served (operating days)  
680 divided by 21 = the Average Daily Attendance 32.38

Always round up to the nearest whole number when calculating the ADA.  
In the example above 32.38 should be rounded up to 33. Rounding up ensures the facility is not penalized by restricting legitimate meals served.